

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF GEORGIA**

IN RE:	:	
	:	CHAPTER 11
LAMAD MINISTRIES/ SEASONS CHRISTIAN	:	
CARE CENTER, INC.,	:	
	:	CASE NO. 14-10449
Debtor	:	
	:	
LAMAD MINISTRIES/SEASONS CHRISTIAN	:	
CARE CENTER, INC	:	
	:	CONTESTED MATTER
Movant	:	
	:	
v.	:	
	:	
COLONY BANK	:	
	:	
	:	
Respondent	:	

MOTION FOR PERMISSION TO USE CASH COLLATERAL

COMES NOW Lamad Ministries/Seasons Christian Care Center, Inc. (“Debtor”) and in support of its Motion for Permission to Use Cash Collateral respectfully shows as follows:

1.

On April 1, 2014, Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. This motion is brought under 11 U.S.C. 363. This is a core proceeding.

2.

Debtor owns and operates a Personal Care Home and senior residential community off Ledo Road in Albany, Georgia (“Albany Property”). Debtor also operates a radio station based out of Sasser, Georgia (“Radio Station”). And, Debtor owns a large building off Cinderella Lane in

Dawson, Georgia that is licensed to operate as a personal care home but is not currently occupied (“Dawson Property”).

3.

As of April 1, 2014 (hereinafter “Petition Date”), Colony held a claim in the amount of \$2,445,976.55 against which Debtor has no defenses or right of setoff, arising from:

- (a) A certain *Promissory Note* designated as Loan Number 114014526 (hereinafter “Loan No. 4526”), entered into and executed in favor of Colony by Debtor on May 9, 2013 in the principal amount of \$2,318,268.75, with interest accruing at the rate of seven percent (7.0 %) per annum and repayable in eleven (11) monthly payments of \$18,167.20 and with all remaining unpaid principal and accrued interest being due on May 23, 2014; and
- (b) A certain *Promissory Note* designated as Loan Number 114015533 (hereinafter “Loan No. 5533”), entered into and executed in favor of Colony by Debtor on January 22, 2014 in the principal amount of \$27,500.00, with interest accruing at the rate of seven percent (7.0 %) per annum and with all unpaid principal and accrued interest being due on April 22, 2014;

Loan No. 4526 is secured by the property described in the following documents (hereinafter “4526 Collateral”), each of which is properly recorded and perfected, and against which the Debtor has no defenses:

- (a) A certain *Deed to Secure Debt* dated August 17, 2000, entered into and executed by Debtor in favor of Colony, granting an interest in Lot Number 1, Second Land District, Dougherty County, Georgia, and recorded at Book 2129, Pages 223-227,

in the real estate records of the Clerk's Office for the Superior Court of Dougherty County, Georgia (hereinafter "Albany 1 Property");

- (b) A certain *Deed to Secure Debt* dated March 24, 2003, entered into and executed by Debtor in favor of Colony, granting an interest in Lot Number 1, Second Land District, Dougherty County, Georgia, and recorded at Book 2557 Pages 284-291, in the real estate records of the Clerk's Office for the Superior Court of Dougherty County, Georgia (hereinafter "Albany 2 Property");
- (c) A certain *Deed to Secure Debt* dated December 30, 2003, entered into and executed by Debtor in favor of Colony, granting an interest in certain property located in Terrell County, Georgia, and recorded at Book 7-E, Pages 357-365, in the real estate records of the Clerk's Office for the Superior Court of Terrell County, Georgia (hereinafter "Dawson Property");
- (d) A certain *Security Agreement* dated May 9, 2013, entered into and executed by Debtor in favor of Colony, granting a security interest in all rights Debtor has or shall have to payment for property of services sold, leased, rented, or assigned, whether or not Debtor earned such payment by performance, and such other right to payment as more fully described in the *Security Agreement*;
- (e) A certain *Assignment of Leases and Rent* dated May 9, 2013, entered into and executed in favor of Colony by Debtor, assigning all rights in existing leases, subleases, license and guaranties and other written or other verbal agreements for the use and occupation of any portion of the property known as 2724 Ledo Road, Albany, Georgia 31707, along with each payment received therefrom;

- (f) A certain *Assignment of Leases and Rent* dated May 9, 2013, entered into and executed in favor of Colony by Debtor, assigning all rights in existing leases, subleases, license and guaranties and other written or other verbal agreements for the use and occupation of any portion of the property known as 475 Cinderella Lane, Dawson, Georgia 39842, along with each payment received therefrom; and
- (g) A certain UCC-1 Financing Statement filed at SEQ #: 047-2011-001498, on October 20, 2011, in the Clerk's Office of the Superior Court of Dougherty County, Georgia;

Loan No. 5533 is secured by the property described in the following document (hereinafter "5533 Collateral") which is properly recorded and perfected, and against which the Debtor has no defenses:

- (a) A certain *Deed to Secure Debt* dated January 22, 2014, entered into and executed by Debtor in favor of Colony, granting an interest in Land Lot Number 230, Third Land District, Terrell County, Georgia, and recorded at Book 10R, Pages 359-365, in the real estate records of the Clerk's Office for the Superior Court of Terrell County, Georgia (hereinafter "5533 Collateral");

Hereinafter Loan No. 4526; Loan No. 5533 and each of the foregoing documents listed above shall collectively be referred to as "Loan Documents," and each real and personal property listed above shall be collectively be referred to as "Collateral."

4.

Prior to the filing of the petition for relief herein, Debtor was permitted by Respondent to use such revenues from its collateral for payment of expenses necessary for the operation of its business.

5.

Without the use of such revenues by Debtor the value of Debtor's property will decrease, because goodwill and going concern value of the business will be diminished or lost. If necessary expenses are not paid, Debtor will not be able to make payroll and maintain its business. Payment of these expenses is necessary to ensure the maintenance of future revenues. Also, Debtor must continue to employ certain personnel to maintain its state license as a Personal Care Home.

6.

Debtor proposes to use the revenues of operations to pay all operating expenses incurred in the normal course of its business. A proposed expense budget is attached hereto as Exhibit "A".

7.

Debtor intends to submit a plan calling for the liquidation of its assets. It is Debtor's intent to eventually pay Respondent the full value of its allowed secured claim as determined by the Court.

WHEREFORE, Lamad Ministries/Seasons Christian Care Center, Inc. respectfully requests that it be authorized to use proceeds as provided in Exhibit "A", and that it have such other and further relief as is just and proper.

KELLEY, LOVETT, & BLAKEY, P.C.

By:

/s/ Walter W. Kelley
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Income/Expenses	April	May	June				
	2014	2014	2014				
<u>Income</u>							
4000 Resident Fees							
4005 Room and Board	900	900	900				
4010 Assisted Livings Services	200	200	200				
4015 PCH Services	1300	1400	1300				
4020 SALM Monthly Resident Expense	18000	17500	17000				
<u>4025 PCH Monthly Resident Expense</u>	1800	1600	1500				
<u>Resident Fees - Other</u>	27000	26500	25000				
Total 4000 Resident Fees	49200	48100	45900				
4050 Rental Income	16000	15000	14500				
4100 Application Fees	0	0	0				
4200 Reservation Fees	0	0	0				
4300 Residents Meals	0	0	0				
4400 Transportation Fees	100	100	100				
4800 Contributions Income	300	300	300				
4900 Miscellaneous Income	150	150	150				
<u>49900 Uncatergorized Income</u>	-400	-400	-400				
Total Income	65350	63250	60550				
Gross Profit	65350	63250	60550				
<u>Expenses</u>							
5000 Activities	0	0	0				
5005 Auto Expenses	0	0	0				
5010 Advertising Expense	0	0	0				
5015 Marketing Expenses	10000	10000	10000	FOR SALE OF PROPERTY			
5020 Bank Fees	30	30	30				
5030 Benevolence	0	0	0				
<u>5040 Contract Labor</u>							
5045 Maintenance/Grounds Contractor	0	0	0				

	April	May	June				
	2014	2014	2014				
<u>Contract Labor - Other</u>	0	0	0				
Total 5040 Contract Labor	4500	4500	4500				
5050 Charitable Contributions	0	0	0				
5060 Dues and Subscriptions	0	0	0				
5080 Equipment Rental	120	0	120				
5090 Equipment - new	200	200	200				
5110 Insurance - Liability	3000	3000	3000				
5130 Finance Charges	200	200	200				
5140 Late Fees	0	0	0				
5150 Interest - Bank	0	0	0				
5190 Interest - Other	1233	1233	1233				
5210 Corporate Fees	0	0	0				
5220 Miscellaneous Fees	2	2	0				
5230 Miscellaneous Expenses	300	300	300				
5250 Office Expenses	0	0	0				
5260 Office Supplies	80	80	80				
5310 Printing and Reproduction	250	250	250				
5315 Professional Fees - Other	0	0	0				
5320 Professional Fees Accounting	1770	1770	1770				
5340 Professional Fees - Legal	7500	7500	7500	BANKRUPTCY ADMIN FEES			
5345 Legal Settlements	0	0	0				
5350 Professional Fees Maint	0	0	0				
<u>5360 Professional Fees - Ministers</u>							
5365 Housing Allowance - Minister	0	0	0				
<u>5360 Professional Fees - Other</u>	0	0	0				
Total 5360 Professional Fees - Minister	5000	5000	5000				
5370 Rent Expense	0	0	0				
5380 Repairs - Appliances	400	400	0				
5390 Repairs - Building	4800	4800	4800				

	April	May	June				
	2014	2014	2014				
5400 Repairs - Unit Refurbishments	0	0	0				
5460 Repairs - Equipment	500	500	500				
5465 Repairs - Other	0	0	0				
5470 Pest Control	0	0	0				
5480 Lawn Maintenance	0	0	0				
5490 Resident Meals Expense	2800	2800	2800	COMBINED WITH 7080 SALM			
5500 Salaries	1722	1722	2722				
5510 Garnishments	0	0	0				
5530 Payroll Taxes	0	0	0	PART OF 5500 SALARIES			
<u>5540 Telephone</u>							
5545 Cellular	0	0	0				
5540 Telephone - Other	0	0	0				
Total 5540 Telephone	450	450	450				
<u>5560 Utilities</u>							
Utilities Dawson	0	0	0				
5560 Utilities Other	0	0	0				
Total 5560 Utilities	4500	4500	4500	COMBINED WITH 7030 SALM			
5570 Garbage Collection	827	827	827				
5590 Other Uncatergoried Expenses	18	18	18				
6050 Write Off	0	0	0				
66900 Recociliation Discrepancies	0	0	0				
7000 Seasons Assisted Living Ministry							
7005 Fees and Subscriptions	0	0	0				
7020 SALM Mediacom	85	85	85				
7030 SALM WG&L	0	0	0	COMBINED WITH 5560 UTILITIES			
7040 SALM Contract Labor	0	0	0	COMBINED WITH 7140			
7045 Services	0	0	0				
7060 SALM Auot Insurance	0	0	0				

	April	May	June				
	2014	2014	2014				
7080 Groceries and Supplies	0	0	0	COMBINED WITH 5490 RESIDENT MEALS			
7090 Refurbishing and Repairs	0	0	0				
<u>7095 Miscellaneous</u>	-300	-300	-300				
Total 7000 Season Assisted Living Minist	-215	0	0				
7100 Seasons Personal Care Home							
7120 PCH Mediacom	180	160	150				
7140 PCH Contract Labor	5000	5200	5100	COMBINED WITH 7040 CONTRACT LABOR			
7150 Compensation - Admin	2000	2000	2000				
7170 Advertising	0	0	0				
7180 - Groceries and Supplies	0	0	0				
7190 Refurbishing and Supplies	0	0	0				
<u>7195 Miscellaneous</u>	0	0	0				
Total 7100 Seasons Personal Care Home	7180	7200	7100				
Total Expenses	57250	57130	52125				
Net Ordinary Income	8100	6120	8425				
Other Income/Expenses							
7035 Dawson Utilities	0	0	0				
7036 Adequate Protection	5000	5000	5000				
Net Other Income	-2222	-2222	-2222				
Net Income	878	-1102	1203				

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LAMAD MINISTRIES/SEASONS CHRISTIAN	:	
CARE CENTER, INC	:	
	:	CONTESTED MATTER
Movant	:	
	:	
v.	:	
	:	
COLONY BANK	:	
	:	
	:	
Respondent	:	

CERTIFICATE OF SERVICE

This is to certify that I have this day served a copy of the

MOTION FOR PERMISSION TO USE CASH COLLATERAL

upon the following in the manner noted:

Party	Served By
Office of the United States Trustee 440 MLK, Jr. Blvd., Suite 302 Macon, GA 31201	email
Colony Bank Attn: Phil Franklin 2609 Ledo Road Albany, Georgia 31707	email

David Garland, Esq. Moore, Clarke, DuVall & Rodgers, P.C. P.O. Drawer 71727 Albany, Georgia 31708-1727 <i>Attorney for Colony Bank</i>	e-mail

this 1st day of April, 2014.

KELLEY, LOVETT, & BLAKEY, P.C.

By:

/s/ Walter W. Kelley
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